

Exhibit 209

CONFIDENTIAL - JOHN DITTAMI
UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re: :
: Master File No.
Global Brokerage, Inc. : 1:17-cv-00916-RA
F/k/a FXCM, Inc. :
Securities Litigation :
----- :

REMOTE VIDEO DEPOSITION OF:
JOHN DITTAMI
THURSDAY, JANUARY 21, 2021

REPORTED BY:
SILVIA P. WAGE, CCR, CRR, RPR

<p style="text-align: right;">Page 34</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 EES?</p> <p>3 A. Yeah, which was subsequently referred</p> <p>4 to as EES, yes.</p> <p>5 Q. Yes, thank you.</p> <p>6 Did you ever consider EES a division</p> <p>7 of FXCM?</p> <p>8 A. No.</p> <p>9 Q. Did anyone at FXCM refer to EES as a</p> <p>10 division of FXCM in conversations with you?</p> <p>11 A. No.</p> <p>12 Q. So looking now to the paragraph under</p> <p>13 Section 1, which is titled, "Employment."</p> <p>14 And do you see that paragraph there?</p> <p>15 A. Yes.</p> <p>16 Q. While you were at FXCM, did you hold</p> <p>17 the title of Managing Director?</p> <p>18 A. I held -- according to this document,</p> <p>19 yes.</p> <p>20 Q. To your knowledge, did anyone ever</p> <p>21 refer to you at FXCM as Managing Director of EES?</p> <p>22 A. No, no one used the term "Managing</p> <p>23 Director" with me.</p> <p>24 Q. Okay. Moving to the next page, I'd</p> <p>25 like to focus your attention on Sections 4 and 5.</p>	<p style="text-align: right;">Page 36</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 that ended early exit terms -- I have to scroll</p> <p>3 to look at them -- or a potential purchase of the</p> <p>4 entity, if going public. Off the top of my head,</p> <p>5 those were the critical ones.</p> <p>6 Q. Okay.</p> <p>7 MR. PAYKIN: And you're referring</p> <p>8 economic terms relating to Mr. Dittami, correct?</p> <p>9 MR. BAKER: Yes.</p> <p>10 Q. Mr. Dittami, at the time that you</p> <p>11 entered into this employment agreement, did you</p> <p>12 have an expectation as to the amount of profits</p> <p>13 EES would generate on an annual basis?</p> <p>14 A. I expected it to make profits. I</p> <p>15 didn't know how much.</p> <p>16 Q. Did you have an expectation in terms</p> <p>17 of order of magnitude of the profits you expected</p> <p>18 EES to generate?</p> <p>19 MR. DAHAN: Objection, asked and</p> <p>20 answered.</p> <p>21 Q. You can still answer the question.</p> <p>22 A. I expected it would be substantial</p> <p>23 enough to be as good as my other alternatives of</p> <p>24 decisions that would already be in play.</p> <p>25 Q. Did you have expectation --</p>
<p style="text-align: right;">Page 35</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 And please take a minute to review those</p> <p>3 sections.</p> <p>4 My question to you will be, do these</p> <p>5 sections provide that your compensation will be a</p> <p>6 base salary of \$250,000 rising to 300,000 after</p> <p>7 six months plus a management bonus equal to</p> <p>8 30 percent of the profits generated by EES?</p> <p>9 A. Yes, it does.</p> <p>10 Q. So is it fair to say that under this</p> <p>11 agreement you would split the trading profits</p> <p>12 generated by EES with FXCM with FXCM getting</p> <p>13 70 percent and you keeping 30 percent?</p> <p>14 A. Yes.</p> <p>15 Q. Did you view the base salary and</p> <p>16 30 percent share of the profits from EES as the</p> <p>17 main economic terms of this agreement?</p> <p>18 A. I viewed -- no, I viewed them as some</p> <p>19 of the economic terms of this agreement.</p> <p>20 Q. Were there other economic terms in</p> <p>21 this agreement that you considered central to the</p> <p>22 agreement?</p> <p>23 A. Yes.</p> <p>24 Q. Such as what?</p> <p>25 A. Such as the -- all of the business</p>	<p style="text-align: right;">Page 37</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 THE STENOGRAPHER: I'm sorry. You're</p> <p>3 trailing off and I'm not catching the rest of</p> <p>4 your answer.</p> <p>5 A. I expected it to be around the same</p> <p>6 or better than the other alternative employment</p> <p>7 options I had available.</p> <p>8 THE STENOGRAPHER: Thank you.</p> <p>9 Q. Did you have an expectation as to the</p> <p>10 size of your management bonus relative to your</p> <p>11 base salary?</p> <p>12 A. I expected it would be multiples</p> <p>13 there.</p> <p>14 Q. Multiples of your base salary?</p> <p>15 A. Correct.</p> <p>16 Q. When you were negotiating this</p> <p>17 employment agreement, did you have any</p> <p>18 discussions with anyone at FXCM as to the amount</p> <p>19 of profits EES was expected to generate?</p> <p>20 A. No.</p> <p>21 Q. And going back to Page 1 under</p> <p>22 Section 2, do you see a reference to a</p> <p>23 "\$3 million initial investment"?</p> <p>24 A. I do.</p> <p>25 Q. Okay. And I don't have any questions</p>

10 (Pages 34 - 37)

<p style="text-align: right;">Page 218</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 credit, et cetera. I need to fund my own</p> <p>3 accounts with my own money. I'm negotiate -- I'm</p> <p>4 trying to negotiate him down to 14. He didn't</p> <p>5 agree.</p> <p>6 Q. And so I'll just -- I'll try one more</p> <p>7 time to clarify my question and then if maybe if</p> <p>8 we're not connecting, we can move on.</p> <p>9 But you say, "We can likely swing it</p> <p>10 again at \$21 per million, meaning, that Effex can</p> <p>11 pay FXCM \$21 per million for order flow," and you</p> <p>12 say, "and chew the reserve down to zero."</p> <p>13 And I'm asking if those two things</p> <p>14 were connected in your mind at this time?</p> <p>15 A. In the -- yes, it went -- when you</p> <p>16 pay more fees, you have less earnings and</p> <p>17 capital, which is the reserve that funds your</p> <p>18 capital that's required Effex to keep capital at</p> <p>19 Citi. If I pay less fees, I have more income and</p> <p>20 I can accumulate more capital with my Citi prime</p> <p>21 brokerage. If I pay more, I have less capital to</p> <p>22 fund my Citi trading, which has a \$1 million</p> <p>23 minimum plus additional reserves for taking risk</p> <p>24 and carrying risk, and you have a minimum capital</p> <p>25 and then you have to fund your positions. If I</p>	<p style="text-align: right;">Page 220</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 authority.</p> <p>3 Q. Okay.</p> <p>4 A. And at FXCM, I'm not sure how it is,</p> <p>5 you know.</p> <p>6 Q. Thank you. That was going to be my</p> <p>7 next question.</p> <p>8 And so was the rate that Effex should</p> <p>9 pay FXCM for order flow for a given month</p> <p>10 determined by an agreement between you and</p> <p>11 Mr. Ahdout?</p> <p>12 A. It was determined by the services</p> <p>13 agreement.</p> <p>14 MR. DAHAN: Objection, form.</p> <p>15 Q. Were you aware of anyone else at FXCM</p> <p>16 who was involved in the negotiations over the</p> <p>17 rate that Effex should pay FXCM for order flow</p> <p>18 for a given month?</p> <p>19 A. William would be my primary first</p> <p>20 contact and I would, you know, pitch it to Drew</p> <p>21 when I felt like I was close enough to be able to</p> <p>22 make a change, try to negotiate, William and Drew</p> <p>23 effectively.</p> <p>24 Q. Okay. I'm going to show you the next</p> <p>25 document.</p>
<p style="text-align: right;">Page 219</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 pay more money, I have less money to fund my</p> <p>3 positions. If I pay less money, I have more</p> <p>4 money to fund my positions.</p> <p>5 Q. Okay. At the last sentence of that</p> <p>6 paragraph starting in the second to last line you</p> <p>7 write, "The other alternative is we go halfway at</p> <p>8 \$17.50 and cut the reserve a little but give us a</p> <p>9 whole other month to work out how this will shake</p> <p>10 out."</p> <p>11 Is 17.50 halfway between \$14 the</p> <p>12 proposed and \$21?</p> <p>13 MR. DAHAN: Objection to form. I</p> <p>14 imagine --</p> <p>15 A. It's, approximately, halfway, yes.</p> <p>16 MR. DAHAN: Yes.</p> <p>17 Q. From Effex's perspective, who had the</p> <p>18 final say on determining the rate that Effex</p> <p>19 should pay FXCM for order flow for a given month?</p> <p>20 A. It was a negotiation. They either</p> <p>21 agreed to it or didn't agree to it. The final</p> <p>22 say is a negotiation between two parties and our</p> <p>23 service contract.</p> <p>24 Q. Who had the authority --</p> <p>25 A. Effex -- at Effex I had the</p>	<p style="text-align: right;">Page 221</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 (Deposition Exhibit 44, e-mail string</p> <p>3 and attachment GLBR_00184107 & GLBR_00184108</p> <p>4 marked Confidential, was marked for</p> <p>5 identification.)</p> <p>6 Q. Okay. Let me know when you can see</p> <p>7 Exhibit 44.</p> <p>8 A. I can see Exhibit 44.</p> <p>9 Q. Take a minute to review this</p> <p>10 document.</p> <p>11 MR. BAKER: For the record,</p> <p>12 Exhibit 44 is GLBR 184107 and an attachment which</p> <p>13 is GLBR 184108.</p> <p>14 Q. Mr. Dittami, just let me know when</p> <p>15 you're ready.</p> <p>16 A. I'm ready.</p> <p>17 Q. Is this an e-mail from Josh Rosenfeld</p> <p>18 to yourself copying two other individuals and</p> <p>19 attaching with an attachment?</p> <p>20 A. It is.</p> <p>21 Q. In your second e-mail here, you</p> <p>22 write, "Please provide me with updated invoice</p> <p>23 for services for First Derivatives and payment</p> <p>24 due to" holdings -- "to holding," sorry.</p> <p>25 By "payment due to holding," were you</p>

<p style="text-align: right;">Page 82</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 or invested. I'm just asking if that's referring</p> <p>3 to the same thing.</p> <p>4 MR. DAHAN: Whatever. Objection to</p> <p>5 form; whatever.</p> <p>6 MR. PAYKIN: Objection to form as</p> <p>7 well.</p> <p>8 THE WITNESS: Joe, am I to attempt to</p> <p>9 answer that, Joe?</p> <p>10 MR. PAYKIN: You can attempt to</p> <p>11 answer it.</p> <p>12 A. This refers to the language in the</p> <p>13 initial employment agreement with a proposed</p> <p>14 maximum investment into the employment agreement</p> <p>15 venture.</p> <p>16 Q. Okay. And as described in this</p> <p>17 letter, is it correct that only a portion of the</p> <p>18 \$3 million was actually used to fund EES?</p> <p>19 A. Only a portion was used to fund,</p> <p>20 although that was paid back in full. So no</p> <p>21 portion was used to fund. A portion was used and</p> <p>22 repaid.</p> <p>23 Q. Okay. And do you recall,</p> <p>24 approximately, how much of the \$3 million that</p> <p>25 portion was?</p>	<p style="text-align: right;">Page 84</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 independent venture and wanted to keep its clean</p> <p>3 ownership of intellectual property.</p> <p>4 THE STENOGRAPHER: "Clean ownership"</p> <p>5 I'm sorry?</p> <p>6 A. Clean ownership of intellectual</p> <p>7 property of all technology built. EFFEX wanted</p> <p>8 to make sure it was paid for so that we know the</p> <p>9 date or dispute of the ownership thereof.</p> <p>10 Q. And did you discuss this repayment</p> <p>11 with anyone at FXCM?</p> <p>12 A. I would have had to have speak to the</p> <p>13 accountants and get bills for exactly what the</p> <p>14 costs were.</p> <p>15 Q. Did you speak to any principals of</p> <p>16 FXCM about this repayment?</p> <p>17 A. I am sure I spoke to William, but I</p> <p>18 can't recall, specifically.</p> <p>19 Q. Do you know who first proposed this</p> <p>20 repayment, whether it was you or someone else?</p> <p>21 A. I don't know who first -- I don't</p> <p>22 know who first did it. I would have wanted it.</p> <p>23 Q. Okay. On the next page, you write,</p> <p>24 "In order to initiate its trading activities,</p> <p>25 EFFEX required a trading line of credit and a</p>
<p style="text-align: right;">Page 83</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. I don't recall. It was less than --</p> <p>3 less than a million, substantially less than a</p> <p>4 million. But I don't recall the exact amount.</p> <p>5 Q. Okay. And then in the same</p> <p>6 paragraph, you write or the letter says, "EFFEX</p> <p>7 repaid FXCM for software licenses, hardware costs</p> <p>8 and external consulting costs, which FXCM</p> <p>9 incurred during the employee/employer phase."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. And is that accurate?</p> <p>13 A. Yes.</p> <p>14 Q. Were those expenses and costs the</p> <p>15 same as the portion of the \$3 million initial</p> <p>16 investment that was used to fund the EES or were</p> <p>17 they something else?</p> <p>18 A. The description that I just answered</p> <p>19 in the previous question where less than a</p> <p>20 million was utilized was these items that were</p> <p>21 repaid noted in this sentence here.</p> <p>22 Q. Okay. And why did EFFEX repay FXCM</p> <p>23 for costs that FXCM incurred while you were an</p> <p>24 FXCM employee?</p> <p>25 A. Because EFFEX was becoming an</p>	<p style="text-align: right;">Page 85</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 brokerage account for its trading activities."</p> <p>3 Is that accurate?</p> <p>4 A. That's accurate, uh-huh.</p> <p>5 Q. And for what purposes did EFFEX need</p> <p>6 a trading line of credit and brokerage account?</p> <p>7 A. Every trading in foreign exchange</p> <p>8 requires credit between the two counterparts on</p> <p>9 the sides of the trade.</p> <p>10 Q. And, I think, we touched on this</p> <p>11 before, but to, I guess, clarify a bit.</p> <p>12 Did EES require a trading line of</p> <p>13 credit in a brokerage account for its trading</p> <p>14 activities?</p> <p>15 A. No, because EES at the time was part</p> <p>16 of FXCM. FXCM and EES is one counterpart. EFFEX</p> <p>17 and FXCM were two different counterparts and</p> <p>18 there is a credit risk between those to parties.</p> <p>19 Q. And what did EES use for the purposes</p> <p>20 of the trading line of credit in brokerage</p> <p>21 account?</p> <p>22 A. Initially, EES established a prime of</p> <p>23 prime account.</p> <p>24 MR. PAYKIN: EES or EFFEX, John?</p> <p>25 A. EFFEX established a prime of prime</p>

<p style="text-align: right;">Page 134</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Agreement?</p> <p>3 A. It would not refer to the same one as</p> <p>4 shown. It would refer to the negotiated ones as</p> <p>5 discussed, yes. Continued negotiation of my</p> <p>6 attempt to secure a massive payout for Effex</p> <p>7 Capital.</p> <p>8 Q. Was there an executed license</p> <p>9 agreement in place between FXCM and either you or</p> <p>10 Effex at this time?</p> <p>11 A. The executed license agreement dated</p> <p>12 May 1st, I believe, is the one -- that's a</p> <p>13 Services Agreement. Apologies, that's a Services</p> <p>14 Agreement.</p> <p>15 Q. Yes. I want to see a separate --</p> <p>16 A. I don't think there was agreement</p> <p>17 titled "License Agreement," no.</p> <p>18 Q. Okay. Thank you.</p> <p>19 In the second paragraph of the same</p> <p>20 e-mail you're looking at, it is the second</p> <p>21 sentence beginning at the very end of the first</p> <p>22 line of the second paragraph. You write, "I will</p> <p>23 also keep Ken G in the loop, as he was a large</p> <p>24 proponent of the pay for flow idea that came</p> <p>25 after the last discussions we all had together</p>	<p style="text-align: right;">Page 136</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 know, would be my person who I would negotiate</p> <p>3 and discuss this stuff with most frequently.</p> <p>4 Q. By -- when you say, "doing it as a</p> <p>5 license agreement," did you mean the discussions</p> <p>6 concerned potentially structuring the Effex/FXCM</p> <p>7 relationship as a license agreement?</p> <p>8 A. I believe the "license agreement" is</p> <p>9 referred to them getting licensed to my</p> <p>10 intellectual property.</p> <p>11 But, again, it was -- nothing was --</p> <p>12 those negotiations never came to fruition. They</p> <p>13 gave up trying.</p> <p>14 Q. And in your discussions with</p> <p>15 Mr. Grossman and Mr. Ahdout, did you discuss any</p> <p>16 other alternative structures for Effex/FXCM</p> <p>17 relationship other than the pay for flow</p> <p>18 arrangement?</p> <p>19 A. Just this one that I've been</p> <p>20 discussing in our negotiation. Negotiation for</p> <p>21 future our purchase that would then have to have</p> <p>22 terms assigned upon it, only in that negotiation.</p> <p>23 Q. Okay. I'm going to show you the next</p> <p>24 document.</p> <p>25 (Deposition Exhibit 25, e-mail string</p>
<p style="text-align: right;">Page 135</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 about doing as a license agreement."</p> <p>3 Do you see that?</p> <p>4 A. Yes, I do.</p> <p>5 Q. And "Ken G" is Ken Grossman?</p> <p>6 A. He is, yes.</p> <p>7 Q. And do you recall the discussions</p> <p>8 that you reference here?</p> <p>9 A. Yes, Ken Grossman was adamant that</p> <p>10 this be paid dollars per million for flow.</p> <p>11 Q. Were there other options being</p> <p>12 discussed at that time? By "options" I mean</p> <p>13 alternatives to pay for flow.</p> <p>14 A. This is July. At this time, can you</p> <p>15 define -- at what time please?</p> <p>16 Q. The time of this e-mail and the</p> <p>17 discussions that you said you were --</p> <p>18 A. Sorry. At the time of this e-mail</p> <p>19 was -- were definitively per million payments,</p> <p>20 which Ken was making clear and I'm asking for</p> <p>21 part of it, earlier ones.</p> <p>22 Q. Do you recall who else was involved</p> <p>23 in those discussions besides yourself and</p> <p>24 Mr. Grossman, if anyone?</p> <p>25 A. With William, who was my regular, you</p>	<p style="text-align: right;">Page 137</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 and attachments GLBR_00152107 to GLBR_00152136</p> <p>3 marked Confidential, was marked for</p> <p>4 identification.)</p> <p>5 A. I see 24.</p> <p>6 Q. You're a step ahead of me so...</p> <p>7 MR. DAHAN: We're up to 25, no?</p> <p>8 MR. BAKER: Yes, that's right.</p> <p>9 Q. Do you see Exhibit 25? Or perhaps</p> <p>10 you were a step behind me.</p> <p>11 A. Yes, a step behind.</p> <p>12 I see Exhibit 25, yes.</p> <p>13 Q. Okay. So please take a minute to</p> <p>14 review. There's a -- it's a relatively long</p> <p>15 exhibit. So I'm going to point you to specific</p> <p>16 sections of it. But take a minute to generally</p> <p>17 review this and as always feel free to review the</p> <p>18 entirety of it, if you need for context.</p> <p>19 MR. BAKER: For the record,</p> <p>20 Exhibit 25 is GLBR 152107 and an attachment,</p> <p>21 which is GLBR 152108.</p> <p>22 Q. Mr. Dittami, just let me know when</p> <p>23 you're ready.</p> <p>24 A. Okay, I'm ready.</p> <p>25 Q. And is this an e-mail from yourself</p>

<p style="text-align: right;">Page 138</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 to Mr. Ahdout with the attachment?</p> <p>3 A. Yes, it is.</p> <p>4 Q. And in your e-mail you write, "Before</p> <p>5 we chat on this, I figured you may want to read</p> <p>6 our initial agreement."</p> <p>7 And skipping ahead a little to the</p> <p>8 next line you write, "I crossed out all the stuff</p> <p>9 that really isn't relevant."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. Do you recall having this discussion</p> <p>13 with Mr. Ahdout?</p> <p>14 A. I don't recall this specific</p> <p>15 discussion, but I recall generally negotiating --</p> <p>16 the continued negotiations, as I mentioned.</p> <p>17 Q. Okay. And looking down to the</p> <p>18 attachment, which starts at GLBR 152108 -- and</p> <p>19 when I say that, I'm referring to the numbers at</p> <p>20 the bottom right-hand corner of the page.</p> <p>21 Do you see where those are?</p> <p>22 A. Yes, I am on that page.</p> <p>23 Q. Okay. And throughout the course of</p> <p>24 today, if I refer to a "Bates stamp," unless I</p> <p>25 say otherwise, I'm going to be referring to the</p>	<p style="text-align: right;">Page 140</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 with per MM payment for flow."</p> <p>3 A. I see that, yes.</p> <p>4 Q. Did you mean that the 70/30 split of</p> <p>5 trading profits from your employment agreement</p> <p>6 was replaced by per million payments for order</p> <p>7 flow?</p> <p>8 A. Yes.</p> <p>9 Q. And those are payments that Effex</p> <p>10 would make to FXCM?</p> <p>11 A. Correct.</p> <p>12 Q. Okay. I'm going to move onto the</p> <p>13 next document.</p> <p>14 (Deposition Exhibit 26, e-mail string</p> <p>15 and attachment GLBR_00218184 to GLBR_00218193</p> <p>16 marked Confidential, was marked for</p> <p>17 identification.)</p> <p>18 Q. Okay. Please let me know when you</p> <p>19 can see Exhibit 26.</p> <p>20 A. I can see Exhibit 26.</p> <p>21 Q. Okay. And take a minute to review.</p> <p>22 MR. BAKER: And, for the record,</p> <p>23 Exhibit 26 is GLBR 218184 and an attachment,</p> <p>24 which is GLBR 218186.</p> <p>25 Q. Mr. Dittami, just let me know when</p>
<p style="text-align: right;">Page 139</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 set of letters and numbers that start with "GLBR"</p> <p>3 and then a set of numbers, okay?</p> <p>4 A. Understood.</p> <p>5 Q. So is this attachment an unsigned</p> <p>6 execution copy of your employment agreement that</p> <p>7 we looked at earlier today marked up with your</p> <p>8 edits and comments?</p> <p>9 A. Yes.</p> <p>10 Q. And starting at the third page of the</p> <p>11 attachment at GLBR 152110, you see the crossed</p> <p>12 out section titled, "Management Bonus"?</p> <p>13 A. I do.</p> <p>14 Q. And does this appear to be the</p> <p>15 section of your employment agreement that</p> <p>16 provides for a bonus to you of 30 percent of the</p> <p>17 trading profits from your venture -- sorry, from</p> <p>18 your trading system with FXCM keeping the other</p> <p>19 70 percent?</p> <p>20 A. The section does address that, yes.</p> <p>21 Yes, that section, yes.</p> <p>22 Q. And this section appears to be -- the</p> <p>23 entire section appears to be crossed out and then</p> <p>24 at the end of the section, there's a few pages</p> <p>25 later at GLBR 152114. You wrote, "All replaced</p>	<p style="text-align: right;">Page 141</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 you're ready.</p> <p>3 A. I'm ready.</p> <p>4 Q. Is this an e-mail from yourself to</p> <p>5 Alexander Dick copying Mr. Paykin?</p> <p>6 A. It is copying my legal Counsel, yes.</p> <p>7 Q. And also including the attachment to</p> <p>8 your e-mail?</p> <p>9 A. Yes.</p> <p>10 Q. Do you recall discussions in August</p> <p>11 of 2010 about a Services Agreement between Effex</p> <p>12 and FXCM?</p> <p>13 A. General -- again, general</p> <p>14 negotiations. I recall generally negotiate --</p> <p>15 looking at negotiating.</p> <p>16 Q. And in this e-mail exchange were you</p> <p>17 discussing a new Services Agreement separate from</p> <p>18 the March 1st or May 1st, 2010 agreements that we</p> <p>19 looked at earlier today?</p> <p>20 A. I need -- let me take a minute to</p> <p>21 look at it closer.</p> <p>22 Q. Please, go ahead.</p> <p>23 A. Yes. Could you ask the question</p> <p>24 again now that I've looked at the contract?</p> <p>25 Q. Sure. My question is, in this e-mail</p>

<p style="text-align: right;">Page 170</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 displayed in this document.</p> <p>3 I am going to focus you down to</p> <p>4 Line 18409.</p> <p>5 A. I'm there.</p> <p>6 Q. Okay. And if you need to look at</p> <p>7 other parts of this conversation, you're welcome</p> <p>8 to or, I guess, other parts of the document, but</p> <p>9 that might take us a while.</p> <p>10 So start looking at 18409. Does this</p> <p>11 appear to be an instant message conversation</p> <p>12 between yourself and James Bradley?</p> <p>13 A. It does, yes.</p> <p>14 Q. On November 15, 2010?</p> <p>15 A. Assuming that date is properly</p> <p>16 stamped. It's my understanding, yes.</p> <p>17 Q. That's fair. Thank you.</p> <p>18 Okay. And starting in that line you</p> <p>19 write, "Everything brokered by FXCM is same.</p> <p>20 Everything we broker ourselves is not split with</p> <p>21 FXCM. That is important, actually, for a few</p> <p>22 months down road. I can give up more of business</p> <p>23 down outside FXCM than within percentage-wise</p> <p>24 because I'm not constrained by existing agreement</p> <p>25 and not giving 70 percent away elsewhere."</p>	<p style="text-align: right;">Page 172</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 you know, on that business, probably a rough</p> <p>3 approximation. It never -- you know, plus or</p> <p>4 minus 10 percent.</p> <p>5 Q. Okay. And if you scroll down -- I</p> <p>6 apologize. My dog is barking in the background.</p> <p>7 If you scroll down to Line 18433 of</p> <p>8 the same conversation.</p> <p>9 Do you see that?</p> <p>10 A. I see Line 18433.</p> <p>11 Q. And there Mr. Bradley appears to say,</p> <p>12 "Can we not try for an external customer sooner?</p> <p>13 It will be interesting."</p> <p>14 Do you see that?</p> <p>15 A. Yes, I see that.</p> <p>16 Q. And then skipping one line down, you</p> <p>17 write, "Well we have to get our stuff straight.</p> <p>18 No external customer will take our current size."</p> <p>19 A. Yes, I see that.</p> <p>20 Q. In November 2010, did trades writing</p> <p>21 from FXCM account for all of Effex's trading</p> <p>22 revenues?</p> <p>23 A. In 2010, no, I believe we also traded</p> <p>24 on EBS, which is a forex venue. I believe that</p> <p>25 was the only one in 2010 that we were able to</p>
<p style="text-align: right;">Page 171</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Do you see that?</p> <p>3 A. I see that, yeah.</p> <p>4 Q. And when you say, "existing</p> <p>5 agreements," which agreement are you referring to</p> <p>6 there?</p> <p>7 A. I don't know which agreements I'm</p> <p>8 referring to. I'm referring to that I can do</p> <p>9 business outside of FXCM. But there are no</p> <p>10 agreements that FXCM constrain me from, from</p> <p>11 conducting my own business and competing.</p> <p>12 Q. And what were you referring by</p> <p>13 "giving 70 percent away"?</p> <p>14 A. Basically, you know, there's no</p> <p>15 specific reason for the 70. It's -- I'm not</p> <p>16 giving away, you know -- I can -- I'm not giving</p> <p>17 away or hiding from anything. I can -- I have</p> <p>18 all sorts of room to -- I can charge a dollar, 0,</p> <p>19 30, you know, there's no -- I can make agreements</p> <p>20 with anyone however I wish to try to make them.</p> <p>21 Q. And is the "70 percent" in reference</p> <p>22 to anything in particular?</p> <p>23 A. Probably a close approximation to</p> <p>24 what, roughly, this date, roughly, maybe was --</p> <p>25 was the event -- was the payment to FXCM were,</p>	<p style="text-align: right;">Page 173</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 acquire.</p> <p>3 Q. Do you recall approximate -- sorry,</p> <p>4 go ahead.</p> <p>5 A. I believe we were able to acquire in</p> <p>6 EBS in 2010, maybe Waters. I can't recall if</p> <p>7 that was 2010 or 2011 or earlier.</p> <p>8 Q. And in November of 2010, do you</p> <p>9 recall, roughly, what percentage of Effex's</p> <p>10 trading revenues came from FXCM?</p> <p>11 A. Majority. It would have been FXCM at</p> <p>12 this date.</p> <p>13 Q. And by "majority" do you know mean</p> <p>14 closer to 50 percent, 90 percent, more?</p> <p>15 A. Closer to 90 percent on this date.</p> <p>16 Q. By external customer, were you</p> <p>17 referring to potential customers for Effex's</p> <p>18 services outside of FXCM?</p> <p>19 A. Yes, of course, any customers of</p> <p>20 Effex Capital, not Effex services. Any Effex</p> <p>21 Capital customers that were not FXCM, anyone</p> <p>22 external to Effex, as many as we could get.</p> <p>23 Q. You say, "anyone external to Effex."</p> <p>24 Does that include FXCM?</p> <p>25 A. Yes. Any customer that is not Effex</p>

<p style="text-align: right;">Page 178</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 will read his e-mail.</p> <p>3 I correct my statement. This appears</p> <p>4 to be coming from FXCM attempting to come in a</p> <p>5 second time, not from Effex coming in a second</p> <p>6 time. This e-mail reads Alexander Dick</p> <p>7 initiating a revisit.</p> <p>8 Q. Okay. And are you still reviewing,</p> <p>9 sorry?</p> <p>10 A. I've read the e-mail.</p> <p>11 Q. Okay. So do you see that Mr. Dick</p> <p>12 described some documents in the body of his</p> <p>13 e-mail?</p> <p>14 A. Yes.</p> <p>15 Q. Okay. So I'm just going to walk</p> <p>16 through those and ask you to help me match those</p> <p>17 up to the attachments, if possible.</p> <p>18 And feel free to look at the title of</p> <p>19 the attachment, the actual attachments themselves</p> <p>20 here, whatever you need to.</p> <p>21 Is the first attachment to this</p> <p>22 e-mail the option agreement that Mr. Dick refers</p> <p>23 to in his e-mail?</p> <p>24 A. I see the first attachment has an</p> <p>25 option agreement, yes.</p>	<p style="text-align: right;">Page 180</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Is that the third attachment here?</p> <p>3 A. "A new service agreement"? It would</p> <p>4 also help if you have the GLBR number.</p> <p>5 Q. 54024.</p> <p>6 A. Thank you.</p> <p>7 Services Agreement, yes, it appears</p> <p>8 that -- yes, 54024 is the Services Agreement he's</p> <p>9 referring to, yes.</p> <p>10 Q. And Mr. Dick also refers to "an</p> <p>11 amendment to the current service agreement."</p> <p>12 Is that the fourth attachment, which</p> <p>13 is -- starts at 54033?</p> <p>14 A. 54022. Yes, that is.</p> <p>15 Q. Okay. Mr. Dick also refers to "an</p> <p>16 employment agreement" in his e-mail.</p> <p>17 But would you agree that there</p> <p>18 doesn't appear to be an employment agreement</p> <p>19 attached to this e-mail?</p> <p>20 A. I didn't scroll through every GLBR of</p> <p>21 this. But I see the one not attached in the</p> <p>22 e-mail to this. I don't see one attached to the</p> <p>23 e-mail.</p> <p>24 Q. Okay, thank you.</p> <p>25 Were any versions of -- sorry.</p>
<p style="text-align: right;">Page 179</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. And is the second attachment the --</p> <p>3 A. And definitively not the Option</p> <p>4 Agreement that was the one discussed earlier.</p> <p>5 Q. And is the second attachment the,</p> <p>6 quote, "new operating agreement" that Mr. Dick</p> <p>7 refers to in his e-mail?</p> <p>8 A. It is a proposed operating agreement,</p> <p>9 as referred to in this e-mail. And I'll see what</p> <p>10 it's headed in a second. So let me find it. You</p> <p>11 could help me.</p> <p>12 Do you have the GLBR number?</p> <p>13 Q. Yes, that would be 54006.</p> <p>14 A. Okay. The title is, "First Amended</p> <p>15 and Restated Limited Liability Company</p> <p>16 Agreement." And if I remember the question, you</p> <p>17 were asking does that refer to the operating</p> <p>18 agreement. I believe it does. But it's</p> <p>19 confusing. Because --</p> <p>20 Q. Yeah, I'm just asking if --</p> <p>21 A. I believe that's what that is.</p> <p>22 Q. Okay. The next one will be Mr. Dick</p> <p>23 refers to "a new service agreement" in his</p> <p>24 e-mail.</p> <p>25 A. Uh-huh.</p>	<p style="text-align: right;">Page 181</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Were these documents or later</p> <p>3 versions of these documents ever executed or</p> <p>4 finalized?</p> <p>5 A. No.</p> <p>6 Q. And do you recall discussions that</p> <p>7 you had in June 2011 regarding the contractual</p> <p>8 relationship between FXCM and Effex?</p> <p>9 A. I was generally negotiating my</p> <p>10 position or approve my relationship in the</p> <p>11 business relationship.</p> <p>12 Q. And at this time were those</p> <p>13 discussions have been with the same individuals</p> <p>14 as before with Mr. Ahdout, Mr. Grossman and</p> <p>15 others?</p> <p>16 A. It would not have been with -- with</p> <p>17 Mr. Ahdout, yes. Mr. Grossman was not a -- he,</p> <p>18 you know, was not in regular discussions or</p> <p>19 negotiations with Mr. Grossman. But with</p> <p>20 Mr. Ahdout, yes, it would be the same.</p> <p>21 Q. Okay. Thank you.</p> <p>22 A. Utilizing my legal Counsel would be</p> <p>23 the same.</p> <p>24 Q. Okay. Let me show you the next</p> <p>25 document.</p>

<p style="text-align: right;">Page 190</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Okay. But this option agreement is</p> <p>3 signed?</p> <p>4 A. This agreement is signed, yes.</p> <p>5 Q. And I believe before you testified</p> <p>6 that you don't recall ever signing any other</p> <p>7 Option Agreement except for the one that we</p> <p>8 looked at earlier today; is that correct?</p> <p>9 MR. PAYKIN: Objection.</p> <p>10 Q. You can answer.</p> <p>11 A. Yeah, I -- honestly, I didn't recall</p> <p>12 the signature of this one until I see the</p> <p>13 document in front of me.</p> <p>14 Q. It's okay. We can move on.</p> <p>15 Does Exhibit B to the attachment in</p> <p>16 this exhibit -- so there's layers here.</p> <p>17 So, in Exhibit 36, the attachment to</p> <p>18 Exhibit 36 and within that attachment Exhibit B,</p> <p>19 which is the final page of this document, does</p> <p>20 this appear to be a copy of the side letter that</p> <p>21 we looked at earlier today?</p> <p>22 A. It does.</p> <p>23 Q. And do you recall if you ever</p> <p>24 finalized or signed the termination of</p> <p>25 agreements?</p>	<p style="text-align: right;">Page 192</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. I'm ready.</p> <p>3 Q. Is this an e-mail from yourself to</p> <p>4 Alex Dick?</p> <p>5 A. It is.</p> <p>6 Q. Does this appear to be your response</p> <p>7 to Mr. Dick's e-mail that we looked at in the</p> <p>8 previous exhibit?</p> <p>9 A. Yes.</p> <p>10 Q. And you write, "I'm not comfortable</p> <p>11 terminating our side letter saying we will do</p> <p>12 something mirroring initial agreement."</p> <p>13 By "side letter" were you referring</p> <p>14 to the side letter that we looked at earlier</p> <p>15 today?</p> <p>16 A. I referred to the side letter we</p> <p>17 looked at earlier, yes.</p> <p>18 Q. Was it your understanding that the</p> <p>19 side letter was still in effect at this time in</p> <p>20 November 2011?</p> <p>21 A. The side letter was in a contract.</p> <p>22 It was my understanding that that side letter was</p> <p>23 my leverage to protection in the business</p> <p>24 relationship with FXCM.</p> <p>25 Q. And was it your understanding that</p>
<p style="text-align: right;">Page 191</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. I believe we did, yes.</p> <p>3 Q. Do you recall when that happened?</p> <p>4 A. I don't recall when.</p> <p>5 Q. Do you recall if it was in this form</p> <p>6 or a substantially similar form to this?</p> <p>7 A. I don't recall. I recall us</p> <p>8 terminating the agreements because this agreement</p> <p>9 never really existed to get cleanliness. This</p> <p>10 agreement never was, you know -- but I don't</p> <p>11 recall the -- whether it was this round or</p> <p>12 something else.</p> <p>13 Q. Okay. I'm going to show you the next</p> <p>14 document.</p> <p>15 (Deposition Exhibit 37, e-mail string</p> <p>16 GLBR_00152765 marked Confidential, was marked for</p> <p>17 identification.)</p> <p>18 A. Document 37.</p> <p>19 Q. That is correct.</p> <p>20 You're able to see it?</p> <p>21 A. Yes.</p> <p>22 Q. Okay. Take a minute to review.</p> <p>23 MR. BAKER: For the record,</p> <p>24 Exhibit 37 is GLBR 152765.</p> <p>25 Q. And let me know when you're ready.</p>	<p style="text-align: right;">Page 193</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 that side letter had not been terminated, altered</p> <p>3 or cancelled at this point in November of 2011?</p> <p>4 A. My understanding it had not been,</p> <p>5 yes.</p> <p>6 Q. By "do something mirroring initial</p> <p>7 agreement," were you referring to maintaining the</p> <p>8 economic terms from your employment agreement</p> <p>9 that we looked at earlier today?</p> <p>10 A. I'm referring to mirroring, yeah --</p> <p>11 yes, continued desire to want to get my business</p> <p>12 bought and paid for at a big number.</p> <p>13 Q. Okay. I'm going to show you the next</p> <p>14 document.</p> <p>15 (Deposition Exhibit 38, e-mail string</p> <p>16 GLBR_00152767 & GLBR_00152767 marked</p> <p>17 Confidential, was marked for identification.)</p> <p>18 Q. Okay. Let me know when you can see</p> <p>19 Exhibit 38.</p> <p>20 A. Okay, I see Exhibit 38.</p> <p>21 Q. Please take a minute to review.</p> <p>22 MR. BAKER: For the record,</p> <p>23 Exhibit 38 is GLBR 152767.</p> <p>24 Q. And let me know when you're ready.</p> <p>25 A. I'm ready.</p>

<p style="text-align: right;">Page 194</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Is this an e-mail from Alex Dick to</p> <p>3 yourself?</p> <p>4 A. Yes, it is.</p> <p>5 Q. And does this appear to be another</p> <p>6 thread in the same e-mail chain that we looked at</p> <p>7 in the previous two exhibits starting with the</p> <p>8 first e-mail from Alex Dick to yourself?</p> <p>9 A. And the previous one exhibit on the</p> <p>10 termination, at least one. Let me know go back</p> <p>11 and look for a second.</p> <p>12 Q. And, to clarify, my question is just</p> <p>13 is this an e-mail chain starting from the same --</p> <p>14 A. Yes.</p> <p>15 Q. -- from the first e-mail?</p> <p>16 A. The answer is, yes.</p> <p>17 Q. Okay. And are you back to</p> <p>18 Exhibit 38?</p> <p>19 A. I am.</p> <p>20 Q. Okay. And the e-mail from yourself,</p> <p>21 the second e-mail down from the top at 2:16 p.m.,</p> <p>22 you write, "I can't possibly cancel the only</p> <p>23 document that gives me any protection, which is</p> <p>24 the side letter."</p> <p>25 Are you, again, referring to the same</p>	<p style="text-align: right;">Page 196</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 document.</p> <p>3 (Deposition Exhibit 39, 8/25/14</p> <p>4 Termination of Services Agreement dated as of May</p> <p>5 1, 2010 GLBR_00125304 marked Confidential, was</p> <p>6 marked for identification.)</p> <p>7 A. There we go.</p> <p>8 Q. Okay. Please let me know when you</p> <p>9 can see. It should be Exhibit 39.</p> <p>10 A. I see Exhibit 39.</p> <p>11 Q. And take a minute to review.</p> <p>12 MR. BAKER: For the record,</p> <p>13 Exhibit 39 is GLBR 125304.</p> <p>14 Q. Let me know when you're ready, Mr.</p> <p>15 Dittami.</p> <p>16 A. I'm ready.</p> <p>17 Q. Is this a letter terminating the</p> <p>18 May 1st, 2010 Services Agreement that we looked</p> <p>19 at earlier today?</p> <p>20 A. It is.</p> <p>21 Q. And was the termination effective as</p> <p>22 of August 1st, 2014?</p> <p>23 A. Yes.</p> <p>24 Q. Did you sign this letter on behalf of</p> <p>25 Effex?</p>
<p style="text-align: right;">Page 195</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 "side letter" we looked at earlier today?</p> <p>3 A. I am.</p> <p>4 Q. Did you discuss the proposed</p> <p>5 termination agreement with anyone else at FXCM at</p> <p>6 this time?</p> <p>7 A. I can't recall. I would have</p> <p>8 regularly discussed with William the concept of</p> <p>9 wanting to get better terms for myself all the</p> <p>10 time.</p> <p>11 Q. Okay. And Mr. Dick's e-mail at the</p> <p>12 top of this chain, he writes, "I understand what</p> <p>13 your concern is now. Your want to wait until we</p> <p>14 have all the new documents finalized. That's</p> <p>15 fine. Just hang onto the termination for now."</p> <p>16 Do you see that?</p> <p>17 A. I see that.</p> <p>18 Q. Do you know what "new documents" he</p> <p>19 was referring to?</p> <p>20 A. Another round of trying to find a new</p> <p>21 way to do business together to put -- in the way</p> <p>22 we were going that day. Continued negotiations</p> <p>23 to try to find another way, for which we never</p> <p>24 came to terms.</p> <p>25 Q. Okay. I'm going to show you the next</p>	<p style="text-align: right;">Page 197</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. I did.</p> <p>3 Q. And did David Sassoon sign the letter</p> <p>4 on behalf of FXCM Holdings?</p> <p>5 A. I see the stamp. I can't read his</p> <p>6 signature, but it looks that way.</p> <p>7 Q. Okay. I'm going to show you the next</p> <p>8 document.</p> <p>9 (Deposition Exhibit 40, 8/25/14</p> <p>10 Termination of Services Agreement dated as of</p> <p>11 April 14, 2010 and Exhibit B GLBR_00110713 &</p> <p>12 GLBR_00110714 marked Confidential, was marked for</p> <p>13 identification.)</p> <p>14 A. This is...</p> <p>15 Q. Can you see Exhibit 40?</p> <p>16 A. I see Exhibit 40.</p> <p>17 Q. Okay. Take a minute to review.</p> <p>18 MR. BAKER: For the record,</p> <p>19 Exhibit 40 is GLBR 110713.</p> <p>20 Q. My first question to you will be, is</p> <p>21 this a letter terminating the side letter that we</p> <p>22 looked at earlier today?</p> <p>23 A. It is.</p> <p>24 Q. And do you recall why you agreed to</p> <p>25 terminate the side letter in August 2014?</p>

<p style="text-align: right;">Page 206</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. I think, you know, whatever -- we did</p> <p>3 several adjustments for the payment for order</p> <p>4 flow. And we always had to pick a date for which</p> <p>5 that started. So, I guess, every time we had --</p> <p>6 every time we did adjustments to the payment, we</p> <p>7 had to pick a start date.</p> <p>8 Q. And when you say, "more appropriate,"</p> <p>9 in your e-mail, did you mean that 23 per million</p> <p>10 would more closely approximate 70 percent of</p> <p>11 Effex's trading profits at this time?</p> <p>12 A. No, I don't know what I was -- I</p> <p>13 don't know off this one line what I was -- why I</p> <p>14 felt it was "more appropriate." I can't remember</p> <p>15 that; far too back.</p> <p>16 Q. In 2010, about how often did you</p> <p>17 discuss changing the rate of -- for order flow</p> <p>18 payments?</p> <p>19 A. Not that often. Honestly, I can't</p> <p>20 remember back then. We didn't change -- I don't</p> <p>21 think we changed in 2010. The first change was</p> <p>22 to \$16. The date is whatever the exhibit</p> <p>23 indicate. I believe that's the first one we</p> <p>24 changed.</p> <p>25 Q. And, just to clarify, I'm just asking</p>	<p style="text-align: right;">Page 208</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 agreement in place between Effex and FXCM setting</p> <p>3 forth the rate per million that Effex would pay</p> <p>4 to FXCM?</p> <p>5 A. I don't know what date that -- I</p> <p>6 don't know what date our docs were signed.</p> <p>7 Q. Did you have any discussions with</p> <p>8 Mr. Ahdout or others at FXCM about executing a</p> <p>9 services agreement with a rate of \$23 per million</p> <p>10 for Effex's order flow payments to FXCM?</p> <p>11 A. I don't recall. I could have. I</p> <p>12 don't recall.</p> <p>13 Q. In the times when you had discussions</p> <p>14 with Mr. Ahdout about changing the rate for</p> <p>15 Effex's order flow payments to FXCM, did you</p> <p>16 believe it was always necessary to draft or amend</p> <p>17 the Services Agreement setting forth whatever new</p> <p>18 proposed rate you were discussing?</p> <p>19 A. I would have wanted an amendment to</p> <p>20 the rate, yes, every time it went down, I would</p> <p>21 have wanted an amendment to the rate going down.</p> <p>22 It's to my benefit.</p> <p>23 Q. Okay. So I'm going to ask you to</p> <p>24 turn back to the very large Excel file that we</p> <p>25 looked at earlier, which let's see, that was</p>
<p style="text-align: right;">Page 207</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 about how often you would have discussed it, as</p> <p>3 opposed to how often you actually changed it.</p> <p>4 Does that change your answer?</p> <p>5 A. We would have discussed it every time</p> <p>6 we were doing a negotiation for a new situation</p> <p>7 whenever -- whenever I kept trying to negotiate</p> <p>8 into a new position, this would have been one of</p> <p>9 the many elements of it, as part of those</p> <p>10 negotiations but not as part of the service</p> <p>11 contract.</p> <p>12 Q. And in these discussions about</p> <p>13 changing the rate for order flow payment, would</p> <p>14 that have been something -- a discussion you had</p> <p>15 with Mr. Ahdout?</p> <p>16 A. It would have been with William, yes.</p> <p>17 Q. Was anyone else typically involved in</p> <p>18 those conversations?</p> <p>19 A. Whoever is involved in the</p> <p>20 negotiations and document negotiations. To</p> <p>21 actually officially implement the change, like,</p> <p>22 the one to \$16, I would have discussed that with</p> <p>23 Drew as well.</p> <p>24 Q. And on July 6th, 2010, the date of</p> <p>25 this e-mail, was there a signed services</p>	<p style="text-align: right;">Page 209</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Exhibit 32, if you can pull that back up. This</p> <p>3 will take less scrolling. It will be the last</p> <p>4 one for today, I think. I will at least give you</p> <p>5 that. But let me know when you have Exhibit 32</p> <p>6 pulled up again.</p> <p>7 A. I have Exhibit 32 open.</p> <p>8 Q. Okay. And take a little bit of time</p> <p>9 as needed to -- you can manipulate the document</p> <p>10 just to expand the column so you can see what's</p> <p>11 in each column. And I'm going to direct you down</p> <p>12 to Excel sheet, Lines 602, the conversation ID</p> <p>13 7/22/2010, 17:12.</p> <p>14 A. I'm on Line 602 of that conversation.</p> <p>15 Q. Okay. And you see that that</p> <p>16 conversation ID applies to lines -- excuse me --</p> <p>17 602 to 630?</p> <p>18 A. Yes.</p> <p>19 Q. Okay. And in starting on Excel</p> <p>20 Line 610, you see the message from yourself to</p> <p>21 Mr. Rosenfeld or to Josh Rosenfeld.</p> <p>22 Does that appear to be what this is?</p> <p>23 A. So I don't know whether he is the</p> <p>24 sender or the receiver.</p> <p>25 Q. I believe if you scroll to the top,</p>

<p style="text-align: right;">Page 218</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 credit, et cetera. I need to fund my own</p> <p>3 accounts with my own money. I'm negotiate -- I'm</p> <p>4 trying to negotiate him down to 14. He didn't</p> <p>5 agree.</p> <p>6 Q. And so I'll just -- I'll try one more</p> <p>7 time to clarify my question and then if maybe if</p> <p>8 we're not connecting, we can move on.</p> <p>9 But you say, "We can likely swing it</p> <p>10 again at \$21 per million, meaning, that Effex can</p> <p>11 pay FXCM \$21 per million for order flow," and you</p> <p>12 say, "and chew the reserve down to zero."</p> <p>13 And I'm asking if those two things</p> <p>14 were connected in your mind at this time?</p> <p>15 A. In the -- yes, it went -- when you</p> <p>16 pay more fees, you have less earnings and</p> <p>17 capital, which is the reserve that funds your</p> <p>18 capital that's required Effex to keep capital at</p> <p>19 Citi. If I pay less fees, I have more income and</p> <p>20 I can accumulate more capital with my Citi prime</p> <p>21 brokerage. If I pay more, I have less capital to</p> <p>22 fund my Citi trading, which has a \$1 million</p> <p>23 minimum plus additional reserves for taking risk</p> <p>24 and carrying risk, and you have a minimum capital</p> <p>25 and then you have to fund your positions. If I</p>	<p style="text-align: right;">Page 220</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 authority.</p> <p>3 Q. Okay.</p> <p>4 A. And at FXCM, I'm not sure how it is,</p> <p>5 you know.</p> <p>6 Q. Thank you. That was going to be my</p> <p>7 next question.</p> <p>8 And so was the rate that Effex should</p> <p>9 pay FXCM for order flow for a given month</p> <p>10 determined by an agreement between you and</p> <p>11 Mr. Ahdout?</p> <p>12 A. It was determined by the services</p> <p>13 agreement.</p> <p>14 MR. DAHAN: Objection, form.</p> <p>15 Q. Were you aware of anyone else at FXCM</p> <p>16 who was involved in the negotiations over the</p> <p>17 rate that Effex should pay FXCM for order flow</p> <p>18 for a given month?</p> <p>19 A. William would be my primary first</p> <p>20 contact and I would, you know, pitch it to Drew</p> <p>21 when I felt like I was close enough to be able to</p> <p>22 make a change, try to negotiate, William and Drew</p> <p>23 effectively.</p> <p>24 Q. Okay. I'm going to show you the next</p> <p>25 document.</p>
<p style="text-align: right;">Page 219</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 pay more money, I have less money to fund my</p> <p>3 positions. If I pay less money, I have more</p> <p>4 money to fund my positions.</p> <p>5 Q. Okay. At the last sentence of that</p> <p>6 paragraph starting in the second to last line you</p> <p>7 write, "The other alternative is we go halfway at</p> <p>8 \$17.50 and cut the reserve a little but give us a</p> <p>9 whole other month to work out how this will shake</p> <p>10 out."</p> <p>11 Is 17.50 halfway between \$14 the</p> <p>12 proposed and \$21?</p> <p>13 MR. DAHAN: Objection to form. I</p> <p>14 imagine --</p> <p>15 A. It's, approximately, halfway, yes.</p> <p>16 MR. DAHAN: Yes.</p> <p>17 Q. From Effex's perspective, who had the</p> <p>18 final say on determining the rate that Effex</p> <p>19 should pay FXCM for order flow for a given month?</p> <p>20 A. It was a negotiation. They either</p> <p>21 agreed to it or didn't agree to it. The final</p> <p>22 say is a negotiation between two parties and our</p> <p>23 service contract.</p> <p>24 Q. Who had the authority --</p> <p>25 A. Effex -- at Effex I had the</p>	<p style="text-align: right;">Page 221</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 (Deposition Exhibit 44, e-mail string</p> <p>3 and attachment GLBR_00184107 & GLBR_00184108</p> <p>4 marked Confidential, was marked for</p> <p>5 identification.)</p> <p>6 Q. Okay. Let me know when you can see</p> <p>7 Exhibit 44.</p> <p>8 A. I can see Exhibit 44.</p> <p>9 Q. Take a minute to review this</p> <p>10 document.</p> <p>11 MR. BAKER: For the record,</p> <p>12 Exhibit 44 is GLBR 184107 and an attachment which</p> <p>13 is GLBR 184108.</p> <p>14 Q. Mr. Dittami, just let me know when</p> <p>15 you're ready.</p> <p>16 A. I'm ready.</p> <p>17 Q. Is this an e-mail from Josh Rosenfeld</p> <p>18 to yourself copying two other individuals and</p> <p>19 attaching with an attachment?</p> <p>20 A. It is.</p> <p>21 Q. In your second e-mail here, you</p> <p>22 write, "Please provide me with updated invoice</p> <p>23 for services for First Derivatives and payment</p> <p>24 due to" holdings -- "to holding," sorry.</p> <p>25 By "payment due to holding," were you</p>

<p style="text-align: right;">Page 226</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 document.</p> <p>3 (Deposition Exhibit 45, 12/22/10</p> <p>4 e-mail from Joshua Rosenfeld to John Dittami and</p> <p>5 attachment GLBR_00184113 & GLBR_00184114 marked</p> <p>6 Confidential, was marked for identification.)</p> <p>7 A. Okay, it's open.</p> <p>8 Q. Okay. And please take a minute to</p> <p>9 review.</p> <p>10 MR. BAKER: For the record,</p> <p>11 Exhibit 450 --</p> <p>12 A. Yes, I reviewed it.</p> <p>13 Q. Thank you.</p> <p>14 MR. BAKER: For the record, Exhibit</p> <p>15 45 GLBR 184113 and an attachment GLBR 184114.</p> <p>16 Q. Mr. Dittami, I'm just going to --</p> <p>17 well, first, is this an e-mail from Josh</p> <p>18 Rosenfeld to yourself --</p> <p>19 A. It is.</p> <p>20 Q. -- with an attachment?</p> <p>21 A. It is, yes.</p> <p>22 Q. And looking at the attachment, is</p> <p>23 this an invoice from FXCM Holdings to Effex for</p> <p>24 order flow for the month of November 2010?</p> <p>25 A. It is.</p>	<p style="text-align: right;">Page 228</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Okay. I'm going to show you another</p> <p>3 document.</p> <p>4 (Deposition Exhibit 46, e-mail string</p> <p>5 GLBR_00184132 & GLBR_00184133 marked</p> <p>6 Confidential, was marked for identification.)</p> <p>7 A. I see Exhibit 46.</p> <p>8 Q. Okay. Please take a minute to review</p> <p>9 it.</p> <p>10 MR. BAKER: For the record Exhibit 46</p> <p>11 is GLBR 184132.</p> <p>12 Q. Let me know when you are ready to go</p> <p>13 ahead.</p> <p>14 A. I'm ready.</p> <p>15 Q. Is this an e-mail from yourself to</p> <p>16 Josh Rosenfeld, Aaron Harding and Baruch</p> <p>17 Greenbaum?</p> <p>18 A. It is.</p> <p>19 Q. And if you look down to the second</p> <p>20 e-mail from the top from Mr. Rosenfeld, he</p> <p>21 writes, "John can we still bill at \$21?"</p> <p>22 A. I she.</p> <p>23 Q. And then you respond, "Probably not.</p> <p>24 Let me check. I think it will need to drop to</p> <p>25 \$18 again while we reassess."</p>
<p style="text-align: right;">Page 227</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. And this invoice shows a fee per</p> <p>3 million rate of \$17.50 for November 2010; is that</p> <p>4 correct?</p> <p>5 A. It does.</p> <p>6 Q. And at the time this e-mail was sent</p> <p>7 in December 2010, was there a services agreement</p> <p>8 in place between Effex and FXCM Holdings?</p> <p>9 A. Again, I believe, yes, and I believe</p> <p>10 the May Service Agreement is around this time.</p> <p>11 Q. And was it your understanding that</p> <p>12 that Services Agreement set out a rate of \$21 per</p> <p>13 million?</p> <p>14 A. I recall that \$21. I recall it going</p> <p>15 to 16. I can't recall a 17.50 in the middle.</p> <p>16 Q. And do you recall --</p> <p>17 A. Just because it happened, it just</p> <p>18 means I can't recall that change.</p> <p>19 Q. And do you recall any formal</p> <p>20 agreement between FXCM and Effex with respect to</p> <p>21 the annual rate of 17.50 per million for</p> <p>22 November 2010?</p> <p>23 A. No, I don't recall an amendment for</p> <p>24 17.50. It doesn't mean there isn't one. I don't</p> <p>25 recall.</p>	<p style="text-align: right;">Page 229</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Is this another conversation with</p> <p>3 Mr. Rosenfeld about what rate per million FXCM</p> <p>4 can bill Effex for order flow for a certain month</p> <p>5 in this case January 2011?</p> <p>6 A. Yes, it's another conversation on</p> <p>7 what he should bill me.</p> <p>8 Q. Had FXCM previously billed Effex at a</p> <p>9 rate of \$18 per million?</p> <p>10 A. Again, I don't recall that. I saw</p> <p>11 the invoice that said 17.50. I don't recall that</p> <p>12 or 18. I do see this e-mail says, can we still</p> <p>13 bill at 21? That's what I recall. It makes</p> <p>14 sense to what I recall.</p> <p>15 Q. And --</p> <p>16 A. I don't know if there are multiple</p> <p>17 invoices or we find e-mails. I just don't know.</p> <p>18 21 is what I recall.</p> <p>19 Q. I'm sorry, I don't mean to keep</p> <p>20 interrupting.</p> <p>21 Are you finished?</p> <p>22 A. That's it. 21 and then 16 is the</p> <p>23 next one I recall so...</p> <p>24 Q. Okay. Do you recall discussing with</p> <p>25 Mr. Ahdout what rate per million Effex would pay</p>

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<p style="text-align: right;">Page 242</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 to calculate Effex's order flow payment for July</p> <p>3 and August 2011?</p> <p>4 A. I don't know if he would agreed to</p> <p>5 it. I would have offered to pay for</p> <p>6 institutional flow. But, again, I don't know if</p> <p>7 the stream was institutional flow, which carries</p> <p>8 a separate agreement with a separate entity. If</p> <p>9 this could have been FXCM Pro, it's</p> <p>10 institutional. It could have been -- it could</p> <p>11 have been any number of ten different</p> <p>12 institutional streams that have nothing to do</p> <p>13 with FXCM's forex retail base, but it's a</p> <p>14 separate FXCM institutional business, which I had</p> <p>15 the different contract to pay ECN institutional</p> <p>16 level fees. But it could have been that. It</p> <p>17 could have been -- it could have been some other</p> <p>18 entity, Japan, Korea, some other entity that we</p> <p>19 priced to where, you know, I hadn't agreed to the</p> <p>20 price and paying volume. I don't know -- I would</p> <p>21 have to know what these streams are to give you a</p> <p>22 straight answer.</p> <p>23 Q. Okay. And in Mr. Meyer's e-mail he</p> <p>24 says, "Thus we've subtracted those volumes out of</p> <p>25 the payment calculation."</p>	<p style="text-align: right;">Page 244</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. So -- sorry, "it's not" what? I</p> <p>3 didn't catch the last bit.</p> <p>4 A. This is not their core stream. It's</p> <p>5 two liquidity streams. They're clearly not</p> <p>6 talking about the core stream, which the payment</p> <p>7 for -- they're talking about some other stream.</p> <p>8 We did over many years many streams with FXCM and</p> <p>9 many other companies.</p> <p>10 Q. Okay. And did Effex pay FXCM for</p> <p>11 order flow for these other streams other than the</p> <p>12 core retail stream?</p> <p>13 A. Just FXCM Pro institutional venue ECN</p> <p>14 feeds. But, no, we generally wouldn't agree to</p> <p>15 pay for the other -- for the other streams, no.</p> <p>16 We paid institutional technology ECNs fees for</p> <p>17 FXCM Pro and also for Fast Match.</p> <p>18 Q. So, in Mr. Meyer's e-mail here at the</p> <p>19 -- towards the bottom of Page 3, he refers to</p> <p>20 these two streams as "not profitable."</p> <p>21 Do you have April understanding of</p> <p>22 what Mr. Meyer means by saying that these streams</p> <p>23 are "not profitable"?</p> <p>24 A. He's telling FXCM, we're not making</p> <p>25 profits on them, on these two streams. We're not</p>
<p style="text-align: right;">Page 243</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Would Effex or would Mr. Meyer have</p> <p>3 subtracted those volumes if Mr. Ahdout had not</p> <p>4 agreed to doing so?</p> <p>5 MR. DAHAN: Objection to form.</p> <p>6 A. Alright. The payments per million</p> <p>7 was for a specific set of flow and Services</p> <p>8 Agreement. We don't have an agreement to pay for</p> <p>9 other types of moves. We would not pay for it.</p> <p>10 So the question doesn't make sense to me.</p> <p>11 Q. So, when you say that the payments</p> <p>12 per million was for a specific set of flow, are</p> <p>13 you referring to certain liquidity streams that</p> <p>14 effect provided to FXCM?</p> <p>15 A. For Effex liquidity streams provided</p> <p>16 to their core retail client base. That's the</p> <p>17 Effex services payment for order flow. It's also</p> <p>18 supplies institutional pricing, as do many other</p> <p>19 liquidity providers with FXCM Pro, institutional</p> <p>20 ECN. Those fees were Effex and most other</p> <p>21 providers are in the \$1 to \$5 region. Or for</p> <p>22 makers, it's sometimes zero. It's very often --</p> <p>23 if it's that -- again, I don't know what stream</p> <p>24 it is. It could be a Japan stream, a brand new</p> <p>25 stream. I don't know. It's not --</p>	<p style="text-align: right;">Page 245</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 going to pay money for streams that don't -- that</p> <p>3 aren't profitable, I guess.</p> <p>4 Q. Was it your understanding that</p> <p>5 Effex's agreement with FXCM regarding order flow</p> <p>6 payments was restricted only to the core retail</p> <p>7 stream?</p> <p>8 A. That's my understanding. When that</p> <p>9 agreement was put in place, the only stream is</p> <p>10 that Effex was providing liquidity to was this</p> <p>11 core retail stream. Over the years, as Effex</p> <p>12 grew, Effex started providing more and more</p> <p>13 streams of different types, qualities and flavors</p> <p>14 to FXCM and to their partners.</p> <p>15 At the time of this Service</p> <p>16 Agreement, it was only providing a stream for</p> <p>17 core retail business. That's what that it</p> <p>18 encompasses sorry.</p> <p>19 Q. Okay. And so, to your recollection,</p> <p>20 did Effex ever pay FXCM for order flow for any</p> <p>21 streams outside of the core retail stream?</p> <p>22 A. Effex paid per million fee to Fast</p> <p>23 Match, the institutional arm of FXCM, for</p> <p>24 institutional business in the 1 to \$5 region. I</p> <p>25 can't remember what price, at what month, at what</p>

<p style="text-align: right;">Page 246</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 time.</p> <p>3 Q. Were other streams outside of FXCM's</p> <p>4 core retail stream ever included in the monthly</p> <p>5 volume calculations for the per million dollar --</p> <p>6 you know, \$21 per million order flow payments</p> <p>7 from Effex to FXCM?</p> <p>8 A. No, that's what Chris is doing here,</p> <p>9 saying this doesn't belong here.</p> <p>10 Q. Okay. I'm going to show you another</p> <p>11 document.</p> <p>12 (Deposition Exhibit 50, e-mail string</p> <p>13 GLBR_00189249 marked Confidential, was marked for</p> <p>14 identification.)</p> <p>15 A. There is one possible and I just</p> <p>16 don't recall. There's one stream to an entity in</p> <p>17 Korea. I don't recall if we did or didn't</p> <p>18 include. I'm not sure. That one's a question</p> <p>19 mark or all the other streams, no.</p> <p>20 Q. Okay. I'm introducing Exhibit 50.</p> <p>21 Please let me know when you can see it.</p> <p>22 A. Okay. Okay, it's open.</p> <p>23 Q. And if you take a minute to review</p> <p>24 it.</p> <p>25 MR. BAKER: For the record,</p>	<p style="text-align: right;">Page 248</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 negotiating payments.</p> <p>3 Q. Okay. In the second paragraph of</p> <p>4 Mr. Meyer's e-mail he writes, "I need to clarify</p> <p>5 the exact streams we're paying for flow on and</p> <p>6 then you should be sent an invoice."</p> <p>7 A. I see that.</p> <p>8 Q. Did you have any discussions with</p> <p>9 Mr. Meyer about what streams Effex would pay for</p> <p>10 flow on at this time?</p> <p>11 A. I'm sure Chris -- I can't recall</p> <p>12 these conversations and I don't know what</p> <p>13 liquidity streams are being discussed out of the</p> <p>14 many many many we provided. But if there was a</p> <p>15 question, I'm sure Chris would have brought it to</p> <p>16 my attention to determine whether it was a real</p> <p>17 stream or not. But I can't recall this -- what</p> <p>18 the two streams were set through AEO.</p> <p>19 Q. Okay. Let me show you the next</p> <p>20 document.</p> <p>21 (Deposition Exhibit 51, e-mail string</p> <p>22 GLBR_00118665 & GLBR_00118666 marked</p> <p>23 Confidential, was marked for identification.)</p> <p>24 A. Okay, 51 has appeared.</p> <p>25 Q. Okay. Take a minute to review this</p>
<p style="text-align: right;">Page 247</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Exhibit 50 is GLBR 189249.</p> <p>3 Q. Let me know when you're ready.</p> <p>4 A. Okay, I see that.</p> <p>5 Q. Exhibit 50 is this an e-mail from</p> <p>6 Alex Dick to Ken Grossman forwarding an e-mail</p> <p>7 from Chris Meyer to Baruch Greenbaum?</p> <p>8 A. Yes.</p> <p>9 Q. And I'll note you don't appear to be</p> <p>10 copied on this e-mail. But focusing on</p> <p>11 Mr. Meyer's e-mail, he writes, "We had a</p> <p>12 discussion on the flows and payment with Ken</p> <p>13 Grossman and William late yesterday."</p> <p>14 Do you recall if you were a part of</p> <p>15 that discussion?</p> <p>16 A. No, I don't -- I don't recall.</p> <p>17 Q. Do you recall if Chris Meyer would</p> <p>18 regularly have discussions on order flow and</p> <p>19 payments for order flow with Ken Grossman and</p> <p>20 William Ahdout?</p> <p>21 A. Not regularly, no. He would have</p> <p>22 discussions about payments of invoices when need</p> <p>23 be. He was -- not regularly, no. Under Chris's</p> <p>24 role as COO was accounting and invoicing,</p> <p>25 payments, payments of the invoices, not</p>	<p style="text-align: right;">Page 249</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 document.</p> <p>3 MR. BAKER: For the record,</p> <p>4 Exhibit 51 is GLBR 118665.</p> <p>5 A. I see it.</p> <p>6 Q. And please review and let me know</p> <p>7 when you're ready to move forward.</p> <p>8 A. Okay, I've read it.</p> <p>9 Q. Okay. And does this appear to be an</p> <p>10 e-mail chain between Aaron Harding, Chris Meyer,</p> <p>11 Alex Kochel and Baruch Greenbaum?</p> <p>12 A. Yes, it is.</p> <p>13 Q. And I'll note that it does not appear</p> <p>14 that you were copied on this e-mail.</p> <p>15 Looking at the e-mail from</p> <p>16 Mr. Harding at the bottom of Page 1 towards the</p> <p>17 bottom of Page 1 at 9:57 a.m.</p> <p>18 Do you see that?</p> <p>19 A. I see that.</p> <p>20 Q. And Mr. Harding writes, "I have</p> <p>21 additional volume from two new CitiEX books</p> <p>22 identified as CitiEXL2 and CitiEXJ. Can you</p> <p>23 confirm if we should be including this volume or</p> <p>24 we should exempt this activity?"</p> <p>25 A. I see that here.</p>

<p style="text-align: right;">Page 254</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. Yes.</p> <p>3 Q. Mr. Meyer writes, "We can't pay the</p> <p>4 fees on the CitiEXJ stream. We have paid on it</p> <p>5 in past months because the volume has been so</p> <p>6 small. However, with these volumes, we like to</p> <p>7 omit it. Our commitment is to make a very</p> <p>8 aggressive price on that stream and therefore it</p> <p>9 is outside the general retail agreement."</p> <p>10 Did you have discussions with</p> <p>11 Mr. Meyer in May of 2012 about excluding the</p> <p>12 CitiEXJ stream from body calculations for order</p> <p>13 flow payments?</p> <p>14 A. I don't know if it would have been</p> <p>15 May or April, but, I would have -- yes, I would</p> <p>16 have had a discussion with him excluding to ask</p> <p>17 him for previous, yes.</p> <p>18 Q. Was it your understanding that at</p> <p>19 this time around May of 2012 Effex would</p> <p>20 sometimes not pay FXCM for order flow on volume</p> <p>21 from certain liquidity streams where Effex was</p> <p>22 making a very aggressive price?</p> <p>23 A. That is a very generic statement.</p> <p>24 Are you -- are you asking the question about</p> <p>25 CitiEXJ stream or are you asking the question</p>	<p style="text-align: right;">Page 256</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Japanese customers are accustomed to seeing a</p> <p>3 fixed price, a spread that never changes for</p> <p>4 24 hours a day that is available for any amount</p> <p>5 all of the time and that fixed spread is</p> <p>6 extremely aggressive and far tighter than the</p> <p>7 spread available anywhere else in the world and</p> <p>8 there is nowhere else in the world that I'm aware</p> <p>9 of that has a fixed spread market structure as</p> <p>10 did the Japanese retail market. It meant that in</p> <p>11 order to market make that stream, you had to be</p> <p>12 in the same spread all the time forever and it's</p> <p>13 spread way less than any marketable spread. It's</p> <p>14 extremely aggressive. There is no profits to be</p> <p>15 making such a price. It's a commitment. It's a</p> <p>16 service level commitment. I would not have</p> <p>17 created a stream for that and paid for a stream</p> <p>18 like that. I would provide a stream like that to</p> <p>19 provide services to foster other business</p> <p>20 relationships.</p> <p>21 Q. And at this time, is it true that</p> <p>22 Effex was providing liquidity to this stream?</p> <p>23 A. We created this stream that met the</p> <p>24 standards of the Japanese retail stream.</p> <p>25 Q. Okay. In going back to the e-mail --</p>
<p style="text-align: right;">Page 255</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 about -- what stream are you asking about?</p> <p>3 Q. Let me back it up. Maybe I can break</p> <p>4 this down a little bit to clarify.</p> <p>5 Were there times when Effex would pay</p> <p>6 FXCM for order flow on volume -- sorry. Let me</p> <p>7 rephrase.</p> <p>8 Were there times when Effex would</p> <p>9 sometimes exclude volume from certain liquidity</p> <p>10 streams from their payments to FXCM for order</p> <p>11 flow?</p> <p>12 A. Yeah, Effex would not pay for</p> <p>13 institutional order flow ever. It's not part of</p> <p>14 the Services Agreement, other than the FXCM Pro</p> <p>15 technology fees or Fast Match technology fees are</p> <p>16 mentioned. It would never include that. It was</p> <p>17 not part of the Service Agreement.</p> <p>18 Q. Do you have an understanding of what</p> <p>19 Mr. Meyer --</p> <p>20 A. We --</p> <p>21 Q. -- means by "very aggressive price"?</p> <p>22 A. Yes.</p> <p>23 Q. And what's your understanding?</p> <p>24 A. What he means by that is Japan has a</p> <p>25 requirement -- has a retail structure with the</p>	<p style="text-align: right;">Page 257</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. (Inaudible.)</p> <p>3 Q. Going back to the e-mail, scroll up</p> <p>4 towards the bottom of Page 1. Above Mr. Meyer's</p> <p>5 e-mail, Mr. Greenbaum responds, "We will adjust</p> <p>6 the April invoice accordingly. Thank you for</p> <p>7 bringing this to our attention."</p> <p>8 And at the e-mail at the top -- well,</p> <p>9 e-mail above that, Mr. Harding writes, "Was this</p> <p>10 approved?"</p> <p>11 And the e-mail above that</p> <p>12 Mr. Greenbaum writes, "Yes, I William approved</p> <p>13 it."</p> <p>14 Did you have any discussions with</p> <p>15 Mr. Ahdout about excluding CitiEXJ volume for</p> <p>16 order flow payments for April 2012?</p> <p>17 A. I'm sure I did. I'm sure I would</p> <p>18 have told them we're not going to provide you</p> <p>19 with the stream if you're going to make us pay</p> <p>20 for it. It would have been -- the stream is very</p> <p>21 -- I know a lot of stream. There is no way I</p> <p>22 would have paid on this.</p> <p>23 Q. Okay.</p> <p>24 A. I wouldn't have provided this service</p> <p>25 or additional stream.</p>

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<p style="text-align: right;">Page 290</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 next question.</p> <p>3 Did you, typically, consult with FXCM</p> <p>4 on how they should communicate with other</p> <p>5 liquidity providers?</p> <p>6 A. I didn't consult with them. I would</p> <p>7 -- FXCM would, typically, use me and others for</p> <p>8 advice about the markets, the implications and</p> <p>9 the repercussions of such things.</p> <p>10 Q. And was it typical around this time</p> <p>11 for you to provide advice to FXCM on their</p> <p>12 communications with other liquidity providers?</p> <p>13 A. It was for me to provide my opinions</p> <p>14 and advice and expertise to everyone and every</p> <p>15 company there, yes. That's part of the business,</p> <p>16 I think. It's very typical.</p> <p>17 Q. Look at your e-mail, the second from</p> <p>18 the top at 12:35 p.m.</p> <p>19 Do you see that?</p> <p>20 A. I see that.</p> <p>21 Q. And in the second paragraph you</p> <p>22 write, "I would be a little harder on the number</p> <p>23 of quotes because that is the serious issue for</p> <p>24 back end systems here."</p> <p>25 A. I see that.</p>	<p style="text-align: right;">Page 292</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Okay. Please let me know when you</p> <p>3 can see Exhibit 59.</p> <p>4 A. I see Exhibit 59.</p> <p>5 Q. And please take a minute to review</p> <p>6 this exhibit.</p> <p>7 MR. BAKER: For the record,</p> <p>8 Exhibit 59 is GLBR 151710.</p> <p>9 A. Okay. I'm ready.</p> <p>10 Q. And is this an e-mail from yourself</p> <p>11 to Patricia Muchinsky?</p> <p>12 A. It is.</p> <p>13 Q. Did you, typically, view Effex's</p> <p>14 market share as broken down by currency payor?</p> <p>15 A. On times I viewed it as currency</p> <p>16 payor, sometimes by stream. I viewed it</p> <p>17 differently depending on what I was looking at.</p> <p>18 Q. And did you have access to</p> <p>19 information showing Effex's market share of</p> <p>20 FXCM's order flow broken down by currency payor?</p> <p>21 A. Yes, I would know Effex's market</p> <p>22 share of FXCM's liquidity historically, yes. I</p> <p>23 don't entirely know. I would know -- I would</p> <p>24 know on its retail. I don't have -- I did not</p> <p>25 have access to all that information for all of</p>
<p style="text-align: right;">Page 291</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Did you mean that Sun sending FXCM</p> <p>3 such a large number or frequency of quotes was a</p> <p>4 serious issue for back end systems at Effex?</p> <p>5 A. No, I'm saying Sun or any HFT.</p> <p>6 Sending the quantity of quotes that are being</p> <p>7 sent is a serious issue for FXCM's back end</p> <p>8 systems, for anyone's back end system for that</p> <p>9 matter.</p> <p>10 Q. Okay. So, when you say "back end</p> <p>11 systems" here --</p> <p>12 A. Any order --</p> <p>13 Q. -- you're referring to FXCM, even</p> <p>14 though it's sent in November 2011?</p> <p>15 A. I'm referring to FXCM because FXCM</p> <p>16 aggregates prices. FXCM's back end aggregation</p> <p>17 or anyone's back end aggregation increases</p> <p>18 latency of the quote counts increase and decrease</p> <p>19 execution performance as the quote counts</p> <p>20 increase, structural -- part of the structure of</p> <p>21 that.</p> <p>22 Q. I'll show you another document.</p> <p>23 (Deposition Exhibit 59, e-mail string</p> <p>24 GLBR_00151710 to GLBR_00151711 marked</p> <p>25 Confidential, was marked for identification.)</p>	<p style="text-align: right;">Page 293</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 FXCM's businesses.</p> <p>3 Q. And did you have access to</p> <p>4 information showing the market share of other</p> <p>5 liquidity providers?</p> <p>6 A. I had access to information that</p> <p>7 would allow me to see the share -- that would</p> <p>8 allow me to calculate the share --</p> <p>9 THE STENOGRAPHER: I'm sorry.</p> <p>10 "Calculate the share" what?</p> <p>11 A. (Continuing.) Of other liquidity</p> <p>12 providers.</p> <p>13 THE WITNESS: My apologies, I'll try</p> <p>14 to keep the voice constant.</p> <p>15 Q. Okay. It's been a long day. It</p> <p>16 happens.</p> <p>17 So did you have direct access to that</p> <p>18 information from which you could calculate the</p> <p>19 market share of other liquidity providers?</p> <p>20 A. I had access to post-trade data for</p> <p>21 which I could calculate shares.</p> <p>22 Q. And how did you -- let me strike</p> <p>23 that.</p> <p>24 I think we'll come back to the</p> <p>25 post-trade data later. I'm going to point you to</p>

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<p style="text-align: right;">Page 294</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 your e-mail the end of the second paragraph in</p> <p>3 your e-mail. And the last part of that line you</p> <p>4 write, "It brings up questions you may not want</p> <p>5 brought up."</p> <p>6 Do you know what you were referring</p> <p>7 to here?</p> <p>8 A. Let me find it again.</p> <p>9 I don't know what I'm referring to</p> <p>10 here. But I don't want my share being shown to</p> <p>11 any other LP. I know how other LPs will respond</p> <p>12 to seeing me having my share. They will not be</p> <p>13 happy. It would not be a good thing for me. It</p> <p>14 would not be a good thing for FXCM.</p> <p>15 Q. And why would that not be a good</p> <p>16 thing for FXCM?</p> <p>17 A. You have to have good relationship</p> <p>18 with all of your liquidity providers. No one</p> <p>19 likes to be told they aren't winning. It would</p> <p>20 be embarrassing to my two ex-employees, Citigroup</p> <p>21 and Sun Trading that I was taking their loss.</p> <p>22 That does not bode well for positive</p> <p>23 relationships in business.</p> <p>24 Q. Okay. I'm going to show you another</p> <p>25 document.</p>	<p style="text-align: right;">Page 296</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 e-mail together.</p> <p>3 Q. Okay. Would you agree that this</p> <p>4 appears to be a transcript of an instant</p> <p>5 messaging conversation between yourself and Ms.</p> <p>6 Muchinsky?</p> <p>7 A. I would agree that I see a transcript</p> <p>8 of an instant message conversation. And it was</p> <p>9 between me and Ms. Muchinsky, yes.</p> <p>10 Q. Okay, thank you.</p> <p>11 I'm going to ask you and you might</p> <p>12 have to read through the conversation a little</p> <p>13 bit.</p> <p>14 But just what is the context for the</p> <p>15 conversation you were having with Ms. Muchinsky?</p> <p>16 Are you referring to an e-mail that was sent out</p> <p>17 to some or all of FXCM's liquidity providers?</p> <p>18 A. I have to read this whole thing. I</p> <p>19 have...</p> <p>20 Q. Please go ahead.</p> <p>21 A. It's very hard to interpret. But</p> <p>22 generically it seems like it's a conversation</p> <p>23 about me asking Trisha if she's communicated with</p> <p>24 liquidity providers about their execution</p> <p>25 quality. That's the best I can glean. It's very</p>
<p style="text-align: right;">Page 295</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 (Deposition Exhibit 60, 10/15/12</p> <p>3 Conversation between John@effexcapital.com and</p> <p>4 pmuchinsky@fxcm.com GLBR_00217369 & GLBR_00217370</p> <p>5 marked Confidential, was marked for</p> <p>6 identification.)</p> <p>7 Q. Please let me know when you can see</p> <p>8 Exhibit 60.</p> <p>9 A. I see Exhibit 60.</p> <p>10 Q. Please take a minute to review this</p> <p>11 document.</p> <p>12 MR. BAKER: For the record,</p> <p>13 Exhibit 60 is GLBR 217369.</p> <p>14 Q. Mr. Dittami just let me know when</p> <p>15 you're ready.</p> <p>16 A. I'm ready.</p> <p>17 Q. Is this an e-mail from you to Ms.</p> <p>18 Muchinsky, which includes a transcript from an</p> <p>19 instant messaging conversation between yourself</p> <p>20 and Ms. Muchinsky?</p> <p>21 A. This is in an e-mail. I see an</p> <p>22 e-mail. I see a transcript. I do not know why</p> <p>23 they're sitting on top of each other. I don't</p> <p>24 recognize the format of -- I'm confused by the</p> <p>25 format of the instant message transcript in an</p>	<p style="text-align: right;">Page 297</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 broken and out of context, but that's all I can</p> <p>3 glean from this.</p> <p>4 Q. To your knowledge, did FXCM have a</p> <p>5 system to determine how to route orders in case</p> <p>6 of a tie between the prices offered by different</p> <p>7 liquidity providers?</p> <p>8 A. To my knowledge, they had guidelines</p> <p>9 for what dictated who won ties, who won ties</p> <p>10 between liquidity providers.</p> <p>11 Q. Have you heard those guidelines</p> <p>12 referred to as a "priority system"?</p> <p>13 A. I have not heard that name used.</p> <p>14 Maybe FXCM uses it. I know there are guidelines</p> <p>15 as to LP that I had to follow or other LPs would</p> <p>16 have to follow in order to win ties, which is</p> <p>17 prioritized or priority, similar words.</p> <p>18 Q. And did you provide input to FXCM on</p> <p>19 allowing Effex or other liquidity providers to</p> <p>20 win ties with other liquidity providers?</p> <p>21 A. I would have provide input to</p> <p>22 whenever it was to my benefit. I'd let FXCM know</p> <p>23 if other liquidity providers I was competing with</p> <p>24 were not following good execution and I would, of</p> <p>25 course, for my business interest argue for any</p>

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<p style="text-align: right;">Page 306</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Capital is an LP and other LPs to price it.</p> <p>3 Effex Capital sells its liquidity to those same</p> <p>4 institutions. I want to get the flow directly.</p> <p>5 I don't want to pay for flow. It's a conflict</p> <p>6 between my business interest and Juan Cafe's</p> <p>7 business.</p> <p>8 Q. Okay. I'm introducing another</p> <p>9 document.</p> <p>10 (Deposition Exhibit 62, 6/14/10</p> <p>11 e-mail from John Dittami to William Ahdout and</p> <p>12 Ken Grossman GLBR_00189082 marked Confidential,</p> <p>13 was marked for identification.)</p> <p>14 MR. DAHAN: You have a sense, Josh,</p> <p>15 of how long you're going be?</p> <p>16 MR. BAKER: I would say I have less</p> <p>17 than ten documents left. So it shouldn't be more</p> <p>18 than an hour, probably less than an hour.</p> <p>19 MR. DAHAN: Well, you're not getting</p> <p>20 another hour. I mean, you're a little over seven</p> <p>21 if you -- there's no way.</p> <p>22 MR. BAKER: I'm not going to go over</p> <p>23 seven. I don't think we're -- I think we're</p> <p>24 around six hours right now. So I won't go over</p> <p>25 seven. But if it's okay with you, we can keep</p>	<p style="text-align: right;">Page 308</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 these updates to?</p> <p>3 A. William Ahdout, maybe Drew, William</p> <p>4 and Drew.</p> <p>5 Q. Do you recall sending them to</p> <p>6 Mr. Grossman?</p> <p>7 A. I don't recall. I wouldn't be</p> <p>8 surprised if I copied him. I wouldn't be</p> <p>9 surprised if I didn't copy him.</p> <p>10 Q. And, in 2010, about how often did you</p> <p>11 send these updates to FXCM regarding Effex's</p> <p>12 trading P&L?</p> <p>13 A. I'd say we consistently -- I would</p> <p>14 say I sent it weekly minus some weeks in 2010 and</p> <p>15 then teetered off to not sending it off every</p> <p>16 week. Hopefully, stopped sending it altogether.</p> <p>17 Q. And was there a particular time when</p> <p>18 you started slowing down the frequency of these</p> <p>19 updates or when you stopped?</p> <p>20 A. I can't remember. I have to go look</p> <p>21 at all the updates to see. I don't have them in</p> <p>22 front of me.</p> <p>23 Q. To your knowledge, did FXCM ever seek</p> <p>24 to verify the P&L numbers you provided them?</p> <p>25 MR. DAHAN: Objection.</p>
<p style="text-align: right;">Page 307</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 moving ahead and try to get this done.</p> <p>3 Q. Mr. Dittami, do you see Exhibit 62?</p> <p>4 A. I do.</p> <p>5 Q. Please take a minute to review.</p> <p>6 MR. BAKER: For the record, I'll note</p> <p>7 Exhibit 62 is GLBR 189082.</p> <p>8 Q. And let me know when you're ready.</p> <p>9 A. I'm ready.</p> <p>10 Q. This is an e-mail from yourself to</p> <p>11 Mr. Ahdout and Mr. Grossman?</p> <p>12 A. Yes.</p> <p>13 Q. And the subject of this e-mail is</p> <p>14 "per MM."</p> <p>15 A. Yes.</p> <p>16 Q. In the first two sentences of this</p> <p>17 e-mail, are you providing an update to Mr. Ahdout</p> <p>18 and Mr. Grossman as to Effex's trading P&L per</p> <p>19 million in the weeks leading up to June 2010 in</p> <p>20 the first two weeks of June 2010?</p> <p>21 A. It appears that I am, yes.</p> <p>22 Q. In 2010, did you provide updates to</p> <p>23 FXCM concerning Effex's trading P&L?</p> <p>24 A. Sometimes.</p> <p>25 Q. And who did you, typically, send</p>	<p style="text-align: right;">Page 309</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 A. William --</p> <p>3 MR. DAHAN: You can answer.</p> <p>4 A. Apologies.</p> <p>5 Q. You can answer.</p> <p>6 A. William and Drew never did. I</p> <p>7 believe there was one time -- I can think of one</p> <p>8 time the accounting group asked me for profit</p> <p>9 numbers and I told them, no. But William and</p> <p>10 Drew didn't, no.</p> <p>11 Q. And did you ever provide FXCM with</p> <p>12 access to data from which they could verify the</p> <p>13 P&L numbers that you showed with them?</p> <p>14 A. No.</p> <p>15 Q. Looking back at your e-mail still in</p> <p>16 the first paragraph moving down to the fourth</p> <p>17 line, your write, "If we go with \$25, it should</p> <p>18 be a good start given to help with June average</p> <p>19 to date being lower, but micro's likely increase</p> <p>20 this number."</p> <p>21 A. I see that.</p> <p>22 Q. And in the next paragraph starting</p> <p>23 the middle of the third line, you write, "We</p> <p>24 should review after micro's get added and maybe</p> <p>25 bring \$25 to \$30."</p>

<p style="text-align: right;">Page 334</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 what is that?</p> <p>3 A. That's a wide stream for large</p> <p>4 tickets. I don't know if they're retail or not</p> <p>5 retail, I guess. ECPs professional --</p> <p>6 professional -- I don't know what you call it,</p> <p>7 but professional people that need large ticket,</p> <p>8 big sizes, lots of liquidity.</p> <p>9 Q. And when you refer --</p> <p>10 A. (INAUDIBLE.)</p> <p>11 Q. Sorry, go ahead. Please finish.</p> <p>12 A. I just said it's another additional</p> <p>13 stream that at that -- in October we were</p> <p>14 providing in addition to the others.</p> <p>15 Q. Okay. And when you refer to</p> <p>16 "external venues," does that mean outside of</p> <p>17 FXCM?</p> <p>18 A. Those are venues that we are acting</p> <p>19 as liquidity provider outside of FXCM, yes.</p> <p>20 Q. And based on the numbers that you</p> <p>21 have in this paragraph, 540K and 490K --</p> <p>22 A. It looks like that 90 percent I told</p> <p>23 you on your last question.</p> <p>24 Q. Okay, thank you.</p> <p>25 So the 90 percent you're referring to</p>	<p style="text-align: right;">Page 336</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 2010 and 2014 where Effex -- or less than</p> <p>3 50 percent of Effex's revenues came from FXCM?</p> <p>4 A. I don't know. On any given month,</p> <p>5 I'm sure, but I don't know. I don't have the</p> <p>6 numbers in front of me. You have to qualify that</p> <p>7 with the timeframe and a -- I would have to look</p> <p>8 it up.</p> <p>9 Q. Okay. I'm going to show you another</p> <p>10 document.</p> <p>11 (Deposition Exhibit 68, 12/19/12</p> <p>12 e-mail from John Dittami to Drew Niv and William</p> <p>13 Ahdout GLBR_00004527 & GLBR_00004528 marked</p> <p>14 Confidential, was marked for identification.)</p> <p>15 A. Okay; 68?</p> <p>16 Q. That's correct. Are you able to see</p> <p>17 it?</p> <p>18 A. Yes.</p> <p>19 Q. Okay. And take a minute to review.</p> <p>20 MR. BAKER: For the record,</p> <p>21 Exhibit 68 is GLBR 4527.</p> <p>22 Q. And my first question to you will be</p> <p>23 is this an e-mail from yourself to Drew Niv and</p> <p>24 William Ahdout copying Chris Meyer?</p> <p>25 A. It is.</p>
<p style="text-align: right;">Page 335</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 --</p> <p>3 A. In line with --</p> <p>4 Q. -- 90 percent of Effex's trading P&L</p> <p>5 at this time kept coming from FXCM order flow?</p> <p>6 A. Again, that's my best guesstimate on</p> <p>7 this week. That's what it was on this week.</p> <p>8 Q. Okay. And was that share typical for</p> <p>9 Effex in 2011?</p> <p>10 A. It's my guess in 2011 that it was</p> <p>11 around, roughly, 90 percent. I don't have</p> <p>12 precise guides.</p> <p>13 Q. And did that percentage change</p> <p>14 between 2011 and 2014?</p> <p>15 A. I believe that percentage would have</p> <p>16 -- there would have been an increased percentage</p> <p>17 of P&L outside of FXCM.</p> <p>18 Q. And in 2014, do you recall, roughly,</p> <p>19 what percentage of Effex's revenues came from</p> <p>20 FXCM?</p> <p>21 A. I don't know what percentage. I</p> <p>22 don't know.</p> <p>23 Q. Was it less than that half?</p> <p>24 A. -- more than 50.</p> <p>25 Q. Okay. Was there ever a point between</p>	<p style="text-align: right;">Page 337</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. And does it appear that you were</p> <p>3 e-mailing Mr. Niv and Mr. Ahdout with an update</p> <p>4 prior to a meeting that you had with them?</p> <p>5 A. It does.</p> <p>6 Q. Do you recall that meeting?</p> <p>7 A. I don't recall the details of that</p> <p>8 meeting. It was years ago.</p> <p>9 Q. And looking at the bottom of the</p> <p>10 first paragraph, paragraph numbered 1 in your</p> <p>11 e-mail you write, We want to start -- "We want to</p> <p>12 restart doing regular updates again for you with</p> <p>13 distribution to Drew, William, Evan and I think</p> <p>14 we should add Randy."</p> <p>15 Do you see that?</p> <p>16 A. I'm trying to find that section, one</p> <p>17 second; got disconnected, updates.</p> <p>18 So is it on the second page? No, I</p> <p>19 see it. No, I see it, D, 2D. Yes, I see that.</p> <p>20 Q. No, I'm talking about Paragraph 1,</p> <p>21 the last sentence in Paragraph 1 on the top of</p> <p>22 Page 1.</p> <p>23 A. Oh, it appears twice. I see that</p> <p>24 also in the -- I see that last sentence in</p> <p>25 Paragraph 1.</p>

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<p style="text-align: right;">Page 346</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 2010.</p> <p>3 Do you recall that?</p> <p>4 A. Yes.</p> <p>5 Q. And both of those had in there the</p> <p>6 agreement that Effex agreed to pay \$21 per</p> <p>7 million flow.</p> <p>8 Do you recall that?</p> <p>9 A. Yes, I do.</p> <p>10 Q. Okay. Now, to -- and you were the</p> <p>11 owner of Effex at the time, correct?</p> <p>12 A. Yes, that's correct.</p> <p>13 Q. You would know --</p> <p>14 MR. BAKER: Which time?</p> <p>15 MR. DAHAN: 2010.</p> <p>16 Q. Correct?</p> <p>17 A. That is correct.</p> <p>18 Q. And so you would know what Effex</p> <p>19 agreed to, correct?</p> <p>20 A. Correct.</p> <p>21 Q. Did Effex agree to pay FXCM</p> <p>22 70 percent of Effex's profits?</p> <p>23 A. No.</p> <p>24 Q. Did it ever do that?</p> <p>25 A. No.</p>	<p style="text-align: right;">Page 348</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Right. And Counsel for Plaintiffs</p> <p>3 went through some chosen sentences in here.</p> <p>4 Do you recall that?</p> <p>5 A. I -- I recall going through</p> <p>6 questions, but you'll --</p> <p>7 Q. Yeah.</p> <p>8 A. -- need to refresh my memory.</p> <p>9 Q. Let me go through he, obviously,</p> <p>10 didn't ask you about.</p> <p>11 It says -- on Page 3 of the document,</p> <p>12 there's a paragraph saying, "At the time of its</p> <p>13 formation, John Dittami owned a hundred percent</p> <p>14 of the membership."</p> <p>15 Do you see that?</p> <p>16 A. I see that.</p> <p>17 Q. And it describes certain people who</p> <p>18 had small other interest in Effex?</p> <p>19 A. I see that.</p> <p>20 Q. And then it says, "None of the</p> <p>21 foregoing persons were ever affiliated with</p> <p>22 FXCM."</p> <p>23 Do you see that?</p> <p>24 A. Yes.</p> <p>25 Q. Is that a true statement to your</p>
<p style="text-align: right;">Page 347</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 Q. Did FXCM demand that Effex pay its</p> <p>3 70 percent of profits?</p> <p>4 A. No.</p> <p>5 Q. Did Effex enter into a profit sharing</p> <p>6 agreement with FXCM?</p> <p>7 A. No. You were shown some documents</p> <p>8 earlier where you reported that for certain</p> <p>9 periods of time that Effex was -- had a P&L of</p> <p>10 over \$35.</p> <p>11 Do you remember that?</p> <p>12 A. There were occasions --</p> <p>13 Q. You saw some documents.</p> <p>14 A. There were occasions where it was \$35</p> <p>15 per million in some of those documents.</p> <p>16 Q. And did Effex --</p> <p>17 A. On occasion.</p> <p>18 Q. And did Effex agree to pay more than</p> <p>19 \$21 when it did that?</p> <p>20 A. No.</p> <p>21 Q. You were shown -- let me see what</p> <p>22 exhibit that was. It was early in the day. Hold</p> <p>23 on -- I think it was Exhibit 5. If we can go</p> <p>24 back to Exhibit 5.</p> <p>25 A. I have Exhibit 5 open.</p>	<p style="text-align: right;">Page 349</p> <p>1 CONFIDENTIAL - JOHN DITTAMI</p> <p>2 knowledge?</p> <p>3 A. That's a true statement to my</p> <p>4 knowledge, yes.</p> <p>5 Q. Okay. And it says, "Since March of</p> <p>6 2010, Effex Capital hired, approximately, 30</p> <p>7 full-time employees, consultants, independent</p> <p>8 contractors."</p> <p>9 Do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. Did Mr. Niv decide who Effex hired?</p> <p>12 A. No.</p> <p>13 MR. BAKER: Objection to form.</p> <p>14 Q. Did William Ahdout decide those</p> <p>15 hirings?</p> <p>16 MR. BAKER: Objection to form.</p> <p>17 A. No.</p> <p>18 Q. Who made those hiring decisions?</p> <p>19 A. Myself and/or the managers who the</p> <p>20 hire would report to.</p> <p>21 Q. Anybody from FXCM?</p> <p>22 A. No.</p> <p>23 Q. Okay. If you go to Page 4, there's a</p> <p>24 conclusion.</p> <p>25 Do you see that?</p>